

आयकर अपीलीय अधिकरण न्यायपीठ रायपुर में।
**IN THE INCOME TAX APPELLATE TRIBUNAL,
RAIPUR BENCH, RAIPUR**

**BEFORE SHRI RAVISH SOOD, JUDICIAL MEMBER
AND
SHRI ARUN KHODPIA, ACCOUNTANT MEMBER**

आयकर अपील सं. / ITA No. 18/RPR/2020
निर्धारण वर्ष / Assessment Year : 2015-16

M/s. VKL Buildcon (India) Private Limited
Block No.18, Plot No.12,
Motilal Nehru Nagar (West)
Bhilai (C.G.)-490 020
PAN : AADCV6396A

.....अपीलार्थी / Appellant

बनाम / V/s.

The Income Tax Officer-1(1),
Bhilai (C.G.)

.....प्रत्यर्थी / Respondent

Assessee by : Shri S.R Rao, Advocate
Revenue by : Shri G.N Singh, Sr. DR

सुनवाई की तारीख / Date of Hearing : 28.07.2022
घोषणा की तारीख / Date of Pronouncement : 09.09.2022

आदेश / ORDER**PER RAVISH SOOD, JM:**

The present appeal filed by the assessee is directed against the order passed by the CIT (Appeals)-II, Raipur (C.G.) dated 10.10.2019, which in turns arises from the order passed by the A.O under Sec.143(3) of the Income-tax Act, 1961 (in short 'the Act') dated 04.11.2017 for assessment year 2015-16. Before us the assessee has assailed the impugned order on the following grounds of appeal:

"1. In the facts and circumstances of the case and in law the Id. Commissioner of Income (Appeals) has erred in confirming addition of Rs.3,71,749/- as unsubstantiated trading liability despite it was subsequently discharged which is against the settled legal position.

2. The action of Id. Commissioner of income tax (Appeals) is bad in law and on facts.

3. The appellant reserves the right to add, amend, alter, omit or withdraw all or any of the grounds of appeal."

2. Succinctly stated, the assessee company which is engaged in the business of executing civil contracts and fabrication work had e-filed its return of income for A.Y. 2015-16 on 30.09.2015, declaring an income of Rs. 19,05,680/-. Subsequently, the case of the assessee company was selected for scrutiny assessment under Sec. 143(2) of the Act.

3. During the course of the assessment proceedings, it was, inter alia, observed by the A.O that the assessee had in its balance sheet for the year under consideration i.e. A.Y. 2015-16 shown a liability of Rs. 6,74,399/- under the head "Trade payables" against the name of one Sh.Bachha Singh. On being queried the assessee furnished a ledger account of Sh.Bachha Singh (supra) as appearing in its books of accounts, which revealed an opening balance of Rs. 3,02,650/- (Cr.) and a closing balance of Rs. 6,74,399/-(Cr.). On a perusal of the aforesaid account it was observed by the A.O that the assessee had claimed to have purchased certain material i.e. boulders from the aforementioned person. Observing, that the assessee had not made any payment to the aforementioned supplier during the entire year the A.O was of the view that it was beyond comprehension that any party would supply goods without receiving any payment for more than one year. Apart from that, it was observed by the A.O that the stock statement of construction material that was furnished by the assessee did not reveal any stock of boulders. On the basis of his aforesaid observations the A.O held a strong conviction that the assessee had not made any purchases from

the aforementioned party. Supported by the fact that the aforesaid claim of impugned purchases was not supported by any vouchers the A.O held the entire amount of impugned purchases of Rs. 6,74,399/- (supra) as bogus and added the same to the assessee's returned income. Accordingly, the A.O vide his order passed under Sec. 143(3), dated 04.11.2017 after, inter alia, making the aforesaid addition assessed the income at Rs. 30,75,730/-.

4. Aggrieved, the assessee carried the matter in appeal before the CIT(A). Although the CIT(A) principally concurred with the dubbing of the impugned purchases as bogus by the A.O, but taking cognizance of the fact that the addition so made comprised of an opening balance of Rs. 3,02,650/- (Cr.) which could not have been added during the year under consideration, thus, vacated the addition to the said extent and sustained the balance addition of Rs. 3,71,749/-.

5. The assessee being aggrieved with the order of the CIT(A) has carried the matter in appeal before us.

6. We have heard the Ld. Authorized representatives of both the parties, perused the orders of the lower authorities and the material available on record. Admittedly, it is a matter of fact borne from record that the assessee had failed to substantiate the authenticity of the purchases of boulders amounting to Rs. 3,71,749/- that was claimed to have been made during the year from the aforementioned party, viz. Sh. Bachha Singh. Except for harping upon the ledger account of the aforementioned party as appearing in its books of accounts the assessee had failed to place on record any documentary evidence which could irrefutably substantiate its claim of having incurred the aforesaid expenditure. Fact that the stock statement of construction material did not reveal any stock of boulders further fortifies the conviction of the lower authorities who had dubbed the impugned purchases as bogus. Also, the fact that in the course of the assessment proceedings no vouchers were produced by the assessee to substantiate the genuineness of the aforesaid claim of expenditure further raises serious doubts as regards the veracity of the claim of the assessee. As the assessee in the course of the proceeding before the lower authorities

had not even furnished the address of the aforesaid supplier, viz. Sh. Bachha Singh, therefore, there was no occasion for the A.O to have verified the authenticity of the aforesaid claim of the assessee by carrying out any independent verifications. Be that as it may, now when the assessee had absolutely failed to discharge the onus that was cast upon it as regards proving the genuineness of its aforesaid claim of expenditure, the same, in our considered view had rightly been held by the lower authorities as a bogus expenditure. In so far the claim of the assessee that the aforesaid amount of expenditure constitutes a small fraction of the amount of contracts executed by it during the year, we are afraid would be of no assistance to dislodge the view taken by the lower authorities. As the assessee had clearly failed in proving to the hilt genuineness of its aforesaid claim of expenditure, therefore, the same had rightly been disallowed by the A.O. Accordingly, finding no infirmity in the view taken by the CIT(A), we uphold the same.

7. Resultantly, finding no merit in the appeal of the assessee we dismiss the same.

Order pronounced under rule 34(4) of the Appellate Tribunal Rules, 1963, by placing the details on the notice board.

Sd/-
ARUN KHODPIA
(ACCOUNTANT MEMBER)

Sd/-
RAVISH SOOD
(JUDICIAL MEMBER)

रायपुर/ RAIPUR ; दिनांक / Dated : 09th September, 2022
SB

आदेश की प्रतिलिपि अग्रेषित / Copy of the Order forwarded to :

1. अपीलार्थी / The Appellant.
2. प्रत्यर्थी / The Respondent.
3. The CIT(Appeals)-II, Raipur (C.G)
4. The Pr. CIT-II Raipur (C.G)
5. विभागीय प्रतिनिधि, आयकर अपीलीय अधिकरण, रायपुर बेंच,
रायपुर / DR, ITAT, Raipur Bench, Raipur.
6. गार्ड फ़ाइल / Guard File.

आदेशानुसार / BY ORDER,

// True Copy //

निजी सचिव / Private Secretary
आयकर अपीलीय अधिकरण, रायपुर / ITAT, Raipur.

		Date	
1	Draft dictated on	10.08.2022	Sr.PS/PS
2	Draft placed before author		Sr.PS/PS
3	Draft proposed and placed before the second Member		JM/AM
4	Draft discussed/approved by second Member		AM/JM
5	Approved draft comes to the Sr. PS/PS		Sr.PS/PS
6	Kept for pronouncement on		Sr.PS/PS
7	Date of uploading of order		Sr.PS/PS
8	File sent to Bench Clerk		Sr.PS/PS
9	Date on which the file goes to the Head Clerk		
10	Date on which file goes to the A.R		
11	Date of dispatch of order		